USDA Foreign Agricultural Service

GAIN Report

Global Agriculture Information Network

Template Version 2.08

Voluntary Report - Public distribution

Date: 4/23/2007

GAIN Report Number: EZ7004

Czech Republic

Fishery Products

Fish and Seafood Market Brief

2007

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Report Highlights:
The Czech seafood market is over $160 million and growing. Per capita consumption is around 6 kg and increasing. Only a few years ago "fish" meant traditional carp dishes served at Christmas. However, now seafood is readily available with new hypermarkets offering a wide variety of fresh and frozen fish and seafood. Over 70% of fish is consumed in hotels and restaurants. The EU accession resulted in tariff increases from zero to 2 – 8%. However, the increases will have little impact on consumption, as Czech disposable incomes continue to rise and as consumers tending to healthier diets. There is a strong market potential for U.S. pacific hake, salmon, and shellfish.

Includes PSD Changes: No
Includes Trade Matrix: No
Unscheduled Report
Prague [EZ1]
[EZ]

Market overview

Size of the Czech seafood market is around $60 million for chilled fish and seafood and over $100 million for frozen fish and seafood, which represents 10,000-12,000 MT of fresh fish and around 18,000 MT of frozen fish. The growth rate is significant in both sectors and is expected to continue, even though at a slower.

Per capita consumption is still relatively low at around 6 kg. For comparison, the German average is 15 kg, the EU average is 17 kg. However, Czech consumption is increasing.

The Czech Republic is a landlocked country with only freshwater fish production (carp – traditional Christmas dish, trout, pike, bream, etc.) and all seafood is imported. Major exporters are the EU (Denmark, Norway) and Asia (China, Vietnam).

Advantages	Challenges
Availability and knowledge about fish is increasing	Higher import tariff after the EU accession (from 0 to 2 – 8%)
Increasing trend towards healthier eating, especially among young people in larger cities	Strong competition from the EU countries: EU exporters have 0 tariff rate; U.S. fish tariff rates increased with EU Accession
Growing number of specialty restaurants and hypermarkets offering fish	Traditional way of eating of older generation – they are used to eat all kinds of meat and do not buy fish products
Lower 5% VAT for all fish and seafood (for some seafood it used to be basic VAT 19%)	Higher prices for fish than for meat and poultry

Consumption trends and distribution

- Consumers are looking for convenience and healthy processed food including fish, there is a shift in demand from whole fish to prepared fish – boneless, skinless fillets, steaks, portions etc.
- The ratio between fresh and frozen is improving towards higher percentage of fresh; in 2006 it was 40% of fresh and live fish and over 60% of frozen fish and seafood
- There is a shift from low cost fish fillets, often breaded, towards better quality higher price natural fish fillets (salmon, pangasius etc.)
- Both fresh and frozen fish are available all year round
- Over 70% of total fish sales are from hotel and restaurant sector, the remaining 30% are generated from retail – new hypermarkets that emerged in the second half of the 1990s (Tesco, Ahold) have extensive fish sections carrying fresh, live and frozen fish and accompanied by cookbooks on how to prepare fish, wines, seasonings etc.
- There are no fish stands or trucks selling fresh fish as commonly found in other EU countries
- Traditional fish consumption consists of carp for Christmas; smoked or dried fish products bought for home consumption and trout offered all year round on the menu of most Czech restaurants; in the past several years, consumption of more expensive fish (salmon, halibut, shrimp, lobster, scallops, sea-bream etc.) has increased (bought fresh, frozen or live)

Trade

Total fish and seafood imports in 2006 were 43,000 MT ($88 mil.), out of which over 3,000 MT ($5.2 mil.) was supplied by the U.S. (6% market share). U.S. import increased by 100% since 2003. The following tables show import statistics from various perspectives, by country, by type of product, and development in time.

Import of fish (HTS 03) in $ million:

	2000	2002	2004	2006
EU 25	16	19	28	41
US	0.4	2.6	3	5
Other	22	25	27	42
Total	38	47	58	88

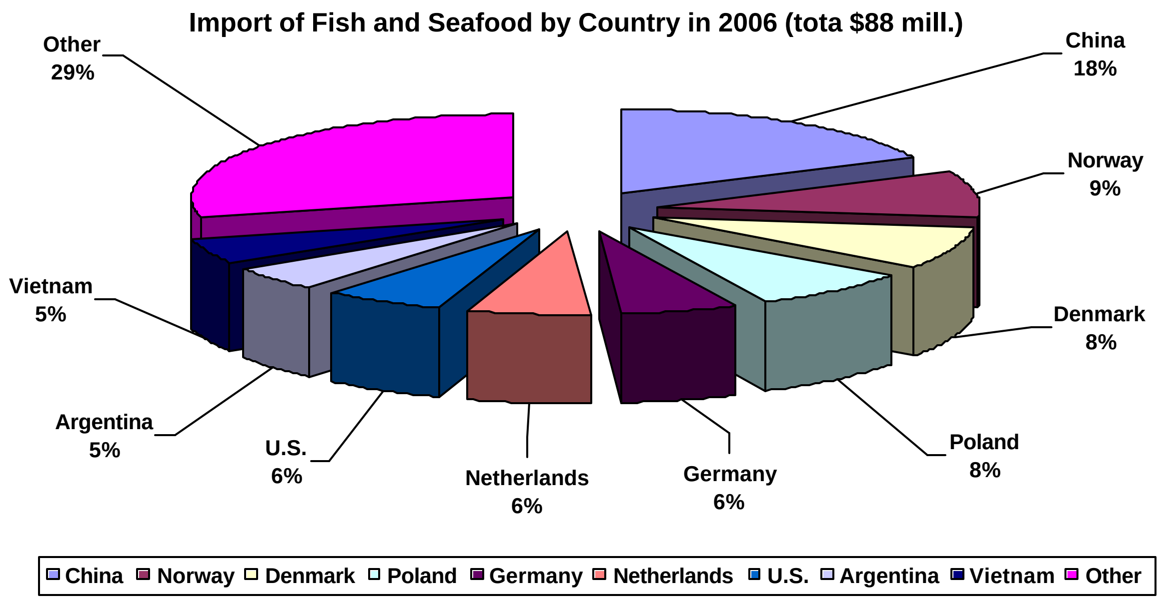
Source: Czech Statistical Office

Import of fish (HTS 03) in $ million in 2006 by countries:

Country	Import in $ mill	Share on total import in %
China	15.9	18%
Norway	7.6	9%
Denmark	7.4	8%
Poland	6.8	8%
Germany	5.7	6%
Netherlands	5.6	6%
U.S.	5.2	6%
Argentina	4.2	5%
Vietnam	4.0	5%
Other	25.6	29%
Total	88	100%

Source: Czech Statistical Office

Note: According to traders, these numbers for the most part reflect reality, except for Germany and Poland, where fish is processed and breaded and therefore these countries maybe be classified as exporting countries, even though raw fish comes from elsewhere.



Import of various fish categories in the past five years in $ mill:

	2002	2003	2004	2005	2006	2006 (U.S.)
Live fish	2	2	2	3	3	0.004
Fresh or chilled fish	3	4	5	7	9	0
Frozen fish	9	10	10	13	16	2.3
Fish fillets (fresh, chilled or frozen	30	31	34	42	48	2.7
Fish cured, smoked	2	2	3	5	5	0.004
Crustaceans	1	2	2	2	3	0.2
Mollusks	1	2	2	2	4	0.05
Total	**47**	**52**	**58**	**75**	**88**	**5.2**

Source: Czech Statistical Office

U.S. fish and seafood on the Czech market

The most popular fish from the U.S. is pacific whiting (pacific hake). Nowaco imports large quantities of sea frozen portions of pacific hake and its share of total fish imports from the U.S. is around 80%. Another 15% is Alaska pink salmon and the remaining 5% live lobster. Some scallops are imported through Germany, but the quantity is rather small due to high prices.

Entry Strategy

Fish is imported by several companies (Nowaco, Dan Deli, CIPA, Kimbex, Eurofrigo, Polar); these companies import frozen fish centrally through their headquarters in Europe (in Denmark, Norway, etc.) and independently import fresh, live, and specialty fish. The importers have their own distribution trucks, warehouses, lobster tanks and supply retail and hotel and restaurant sectors; importers are also wholesalers and distributors.

Taxes and prices

Basic level of VAT changed with the EU accession on May 1, 2004 from 22% to 19%. On all food items including fish and seafood lower 5% tax is applied. Prices of fish vary throughout the year; freshwater fish and frozen fish fillets are among the cheapest products; the most expensive include live lobster and crab, seafood, and some saltwater fish. Upscale restaurants in Prague offer fish specialties for up to $35 per meal (without drinks, appetizers). For a complete Prague restaurant guide, see: www.grand-restaurnat.com

Import Tariffs

On May 1, 2004, after the EU accession, the Czech import tariff went from zero to the EU level (which is usually 2% but in some cases (like live lobster) 8-10%).

(Exchange rate: April 2007: 1$ = 21 CZK)